

AMENDED IN ASSEMBLY MAY 15, 1997
AMENDED IN ASSEMBLY MAY 5, 1997
AMENDED IN ASSEMBLY APRIL 15, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 835

Introduced by Assembly Member Wright

February 27, 1997

An act to amend Sections 10115.2 and 10115.5 of the Public Contract Code, relating to state contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 835, as amended, R. Wright. State contracts: low-income workers.

Under existing law, in awarding state contracts for labor, services, material, supplies, or equipment to the lowest responsible bidder, the awarding agency is required to consider the efforts of a bidder to meet specified minority, women, and disabled veteran business enterprise goals. The awarding department is required to award the contract to the lowest responsible bidder meeting or making good faith efforts to meet these goals.

Pursuant to the State Contract Act, a state contract for goods and services in excess of \$200,000 governed by the act is required to contain a provision requiring the contractor to give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of specified federal public assistance benefits.

This bill would additionally require an awarding department to award a contract to the lowest responsible bidder that includes in the bid offering the promise to employ at least 5% of its work force on the contract as low-income persons *or evidence that the bidder has in place a functioning program that hires low-income persons to the extent that at least 5% of the bidder's overall work force consist of low-income persons.* The bill would define “low-income persons” as persons receiving specified public assistance benefits under revised federal law, ~~or~~ food stamps, *or unemployment compensation.* The bill would also provide that an annual report to the Governor and the Legislature by each awarding department on minority, women, and disabled veteran business enterprise participation include the number, dollar amount, category, and percentage of contracts that meet the low-income work force requirements specified by the bill.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10115.2 of the Public Contract
- 2 Code is amended to read:
- 3 10115.2. (a) In awarding contracts to the lowest
- 4 responsible bidder, the awarding department shall
- 5 consider the efforts of a bidder to meet minority business
- 6 enterprise, women business enterprise, and disabled
- 7 veteran business enterprise goals set forth in this article.
- 8 The awarding department shall award the contract to the
- 9 lowest responsible bidder meeting or making good faith
- 10 efforts to meet these goals.
- 11 (b) A bidder shall be deemed to have made good faith
- 12 efforts upon submittal, within time limits specified by the
- 13 awarding department, of documentary evidence that all
- 14 of the following actions were taken:
- 15 (1) Contact was made with the awarding department
- 16 to identify minority, women, and disabled veteran
- 17 business enterprises.



1 (2) Contact was made with other state and federal
2 agencies, and with local minority, women, and disabled
3 veteran business enterprise organizations to identify
4 minority, women, and disabled veteran business
5 enterprises.

6 (3) Advertising was published in trade papers and
7 papers focusing on minority, women, and disabled
8 veteran business enterprises, unless time limits imposed
9 by the awarding department do not permit that
10 advertising.

11 (4) Invitations to bid were submitted to potential
12 minority, women, and disabled veteran business
13 enterprise contractors.

14 (5) Available minority, women, and disabled veteran
15 business enterprises were considered.

16 (c) (1) In addition to the requirements specified in
17 subdivision (a), for contracts in excess of two hundred
18 thousand dollars (\$200,000), the awarding department
19 shall award the contract to the lowest responsible bidder
20 that includes in the bid offering the promise to employ,
21 *through the hiring of additional personnel*, at least 5
22 percent of its work force on the contract as low-income
23 persons.

24 (2) “Low-income persons” means persons receiving
25 Temporary Assistance for Needy Families program
26 benefits (P.L. 104-193), ~~or~~ food stamps (7 U.S.C. Sec. 2011
27 et seq.), *or unemployment compensation (Part 1*
28 *(commencing with Section 100) of Division 1 of the*
29 *Unemployment Insurance Code).*

30 ~~(3) Nothing in this subdivision shall be construed so as~~
31 ~~to require a bidder to employ a separate additional work~~
32 ~~force of low-income persons for each subsequent contract~~
33 ~~in order to bid on that subsequent contract.~~

34 (3) *Notwithstanding paragraph (1), a bidder shall be*
35 *deemed to have met the requirements of this subdivision*
36 *if, at the time the bid is submitted, the bidder*
37 *demonstrates with evidence deemed adequate by the*
38 *awarding department that it has in place a functioning*
39 *program that hires low-income persons to the extent that*

1 *at least 5 percent of the bidder's overall work force*
2 *consists of low-income persons.*

3 SEC. 2. Section 10115.5 of the Public Contract Code
4 is amended to read:

5 10115.5. (a) On January 1 of each year, each
6 awarding department shall report to the Governor and
7 the Legislature on the level of participation by minority,
8 women, and disabled veteran business enterprises in
9 contracts as identified in this article for the fiscal year
10 beginning July 1 and ending June 30. In addition, the
11 report shall contain the levels of participation by
12 minority, women, and disabled veteran business
13 enterprises for the following categories of contracts:

14 (1) Construction.

15 (2) Purchases of materials, supplies, and equipment.

16 (3) Professional services.

17 (4) All contracts for a dollar amount of less than
18 twenty-five thousand dollars (\$25,000).

19 (b) If the established goals are not being met, the
20 awarding department shall report the reasons for its
21 inability to achieve the standards and identify remedial
22 steps it shall take.

23 (c) The report required in subdivision (a) shall also
24 include the number, dollar amount, category, and
25 percentage of contracts that meet the low-income work
26 force requirements of subdivision (c) of Section 10115.2,
27 including, where possible, the number of low-income
28 persons working under those contracts.